



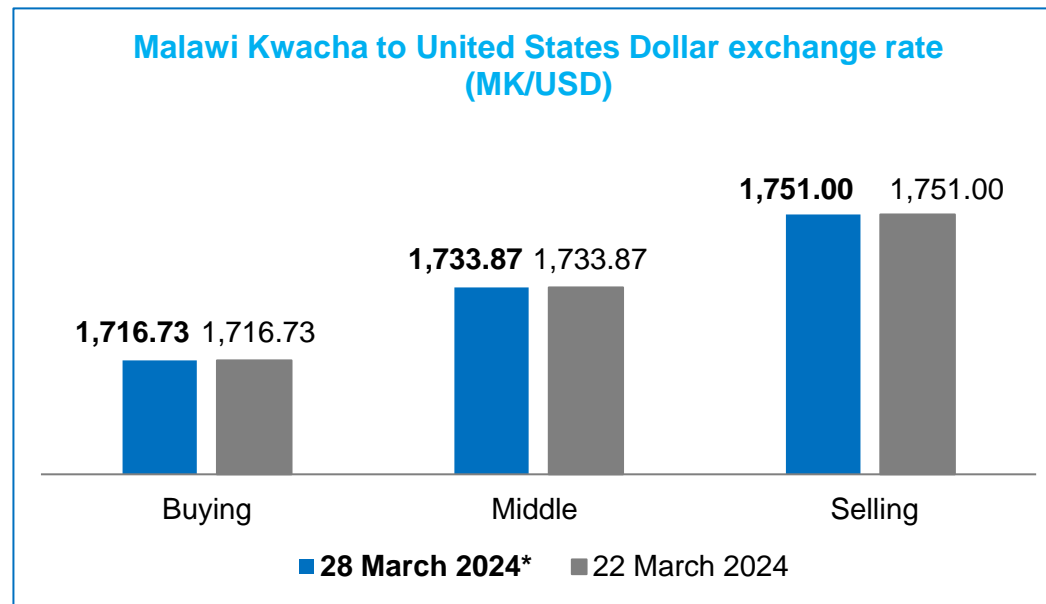
Malawi Financial Market Update

Week ending 28 March 2024

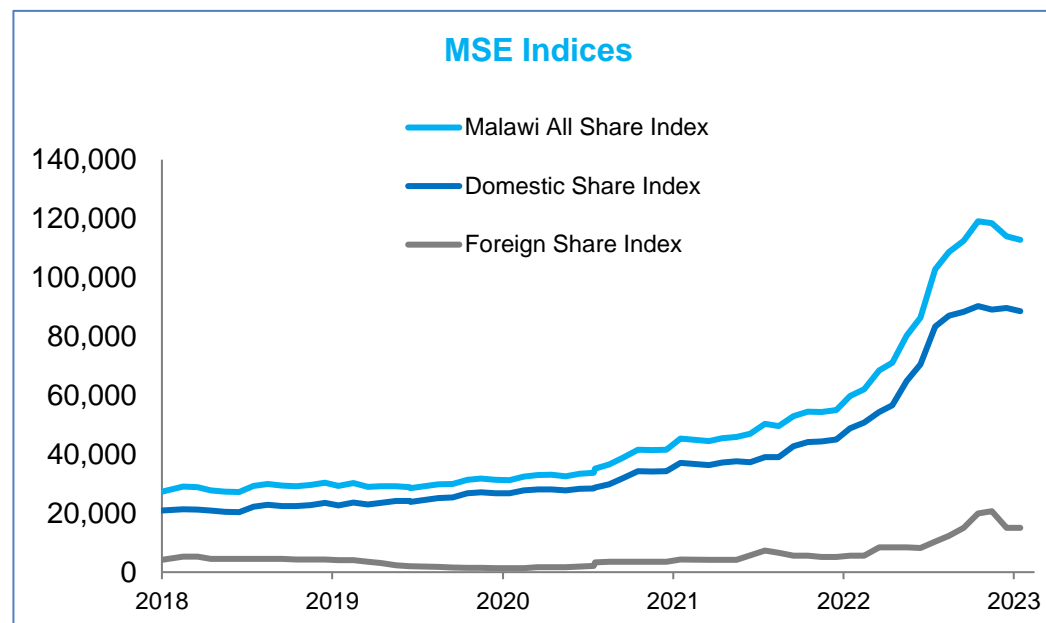


Exchange rate and other market developments

Exchange rate (Source: RBM)



Malawi Stock Exchange Indices (Source: MSE)



The African Development Bank (AfDB) has provided USD60 million (about MK105 billion) to implement the Rumphu Water Sanitation Services Improvement Project and the second phase of the Shire Valley Transformation Programme (SVTP).

FDH Bank plc, in partnership with African Export-Import Bank (Afrexim Bank), is offering USD10 million (about MK1.75 billion) worth of guarantees to local corporates and medium enterprises (SMEs) to enhance trade.

What Happened This Week

1. The African Development Bank (AfDB) has provided USD60 million (about MK105 billion) for the implementation of the Rumphu Water Sanitation Services Improvement Project and the second phase of the Shire Valley Transformation Programme (SVTP). USD28 million has been directed towards SVTP, while USD32 million has been allocated to the Rumphu Water Project, which will be implemented by the Northern Region Water Board (NRWB). The second phase of the SVTP is expected to take five years. AfDB, in partnership with the World Bank, the European Union and the Opec Fund for International Development, plans to bring in an additional USD20 million for the SVTP. The project, which started in 2018, aims to provide irrigation to over 43,000 hectares and is expected to connect about 12,600 new customers by the implementation timeframe of 2027 (*The Daily Times*, 26 March 2024).
2. FDH Bank plc, in partnership with African Export-Import Bank (Afrexim Bank), is offering USD10 million (about MK1.75 billion) worth of guarantees to local corporates and medium enterprises (SMEs) to enhance trade. About 150 SMEs are ready to be taken on board through the initiative under Afrxim Bank's Africa Trade Gateway. According to FDH Bank's Managing Director, the bank will lift the burden of the need for collateral for SMEs when accessing financing through the facility. The facility also allows SMEs to connect with local and international importers and exporters (*The Daily Times*, 27 March 2024).
3. The Agricultural Commercialisation (Agcom) programme has disbursed grants worth MK4.3 billion to 41 agricultural production groups in Mangochi through Agcom II. This is the second disbursement after MK2.2 billion was paid out, making a total of MK6.5 billion, benefitting 63 production groups. Agcom II is worth USD295 million (about MK500 billion) with three disbursement windows, which include production, value addition, and off-taker financing. The Agcom project was set to develop agricultural value chains and increase production to boost local food and raw material supplies and exports. Agcom has called for new applicants to make business proposals and access the grants from the second phase until 2029 (*The Nation*, 26 March 2024).
4. National Bank of Malawi plc registered a profit after tax of MK71.96 billion for the financial year ending 31 December 2023, up 56.62% from the MK45.94 billion recorded in the previous corresponding period (*The Daily Times*, 25 March 2024).
5. NBS Bank plc has registered a consolidated profit after tax of MK29.38 billion for the financial year ending 31 December 2023, up by 55.40% from MK18.91 billion recorded in the previous corresponding period (*The Daily Times*, 27 March 2024).
6. NITL plc has registered a profit after tax of MK21.50 billion for the financial year ending 31 December 2023, up by 207.58% from MK6.99 billion recorded in the previous corresponding period (*The Daily Times*, 28 March 2024).
7. Old Mutual plc has registered a consolidated profit after tax of ZAR5.86 billion for the financial year ending 31 December 2023, up by 20.84% from ZAR4.85 billion recorded in the previous corresponding period (*The Daily Times*, 28 March 2024).

*: Reserve Bank of Malawi opening exchange rates as of 28 March 2024



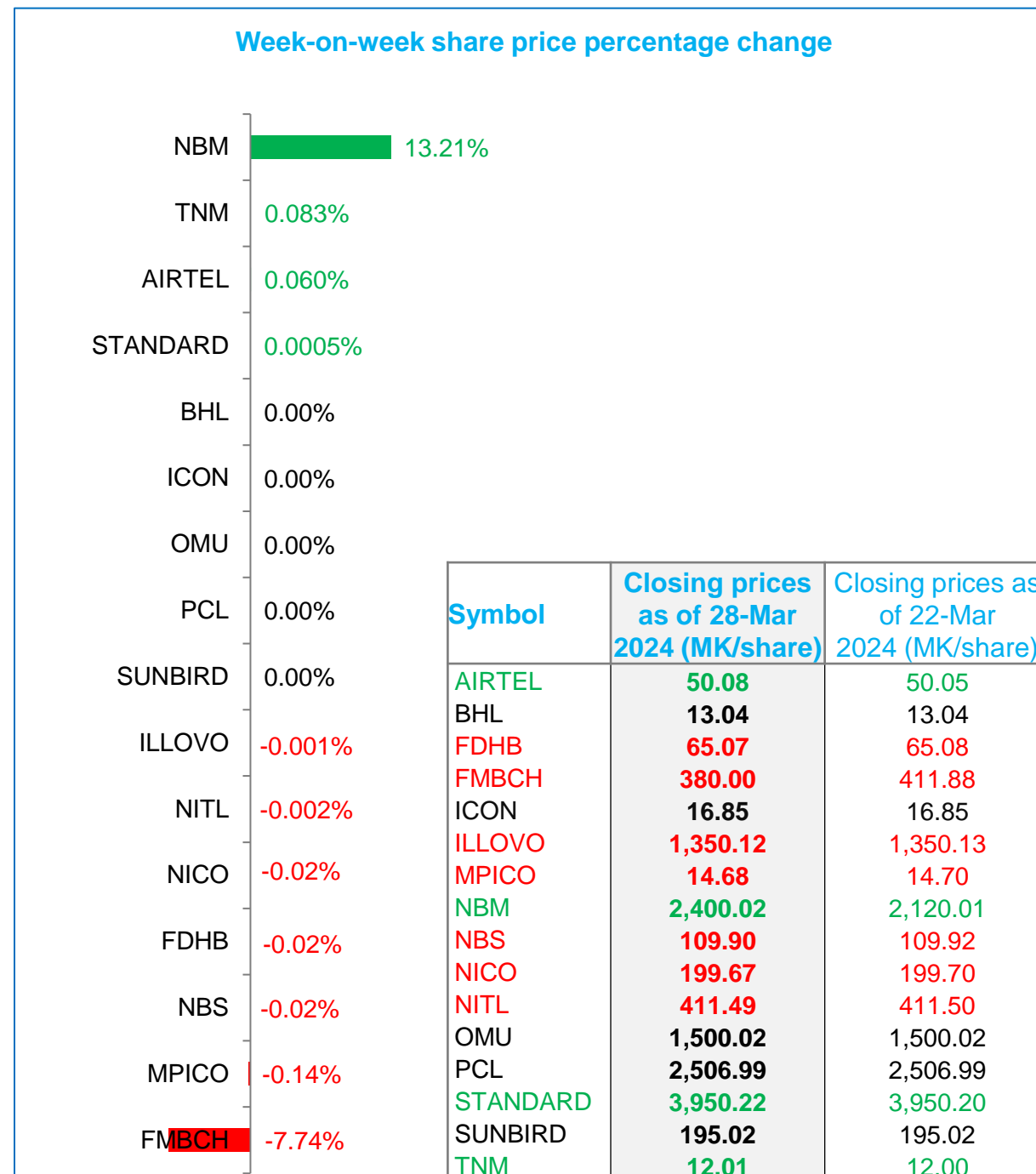
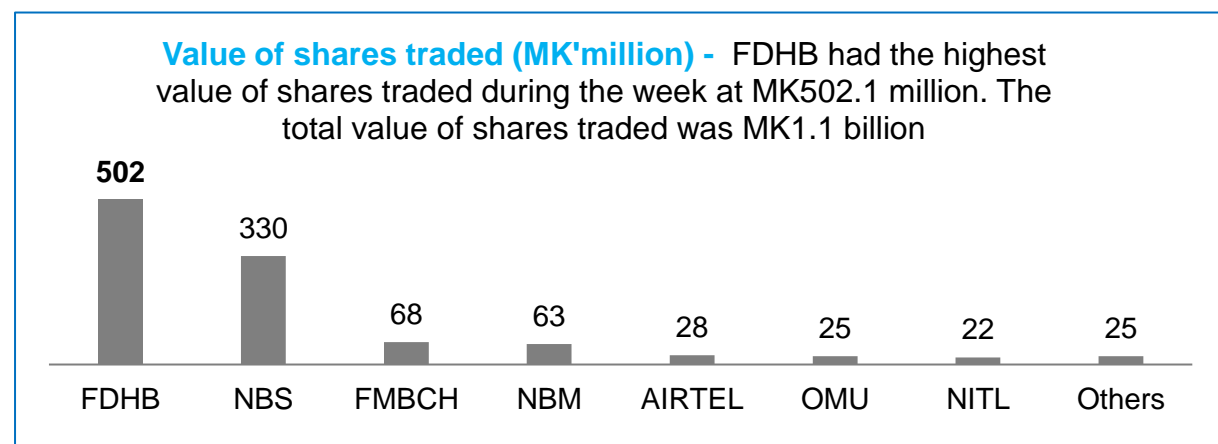
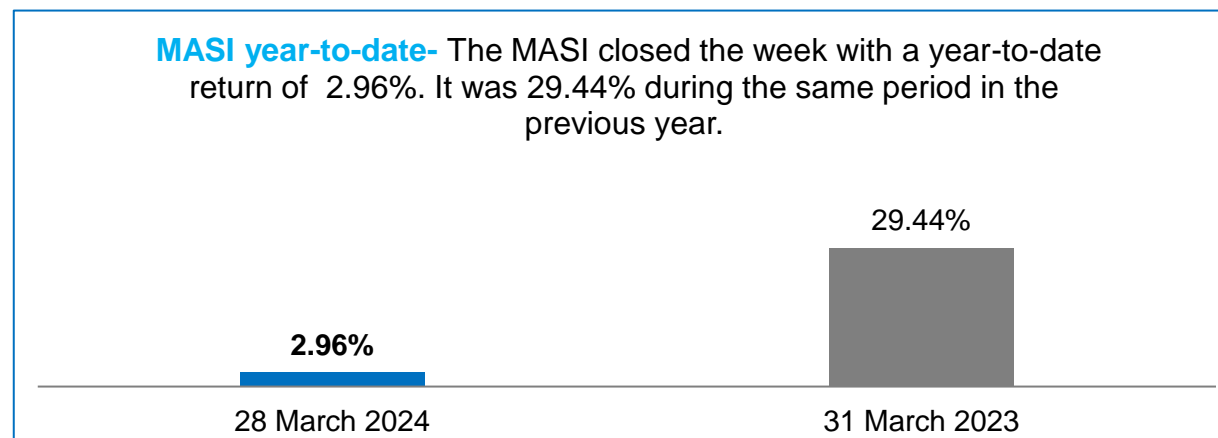
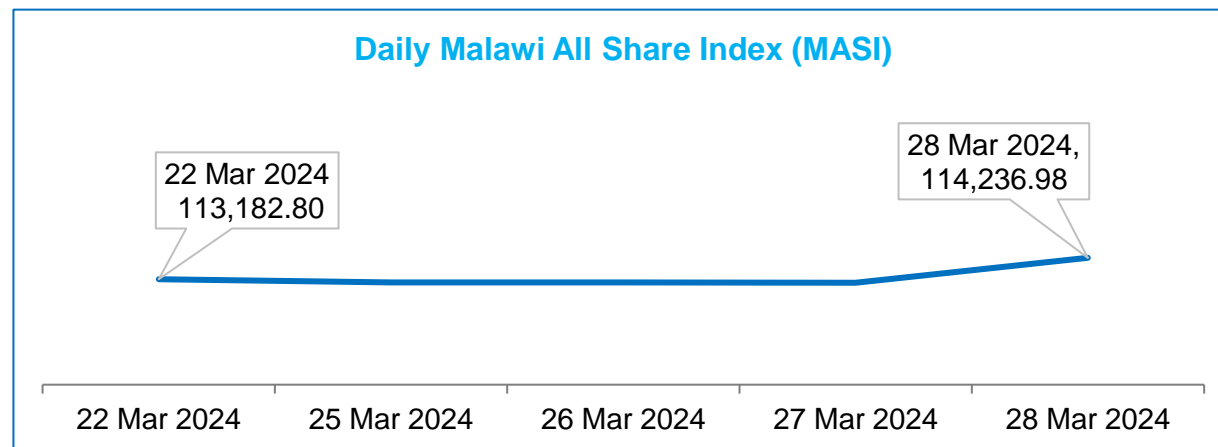
Malawi Financial Market Update: Week ending 28 March 2024

Stock market (Source: MSE)

The stock market was marginally bullish, with the Malawi All Share Index (MASI) closing the week ending 28 March 2024 at 114,236.98 points from 113,182.80 points for the week ending 22 March 2024.

There was a 13.21% share price gain for NBM (MK2,400.02 from MK2,120.01). There were also marginal share price gains for TNM, AIRTEL, and STANDARD during the week under review.

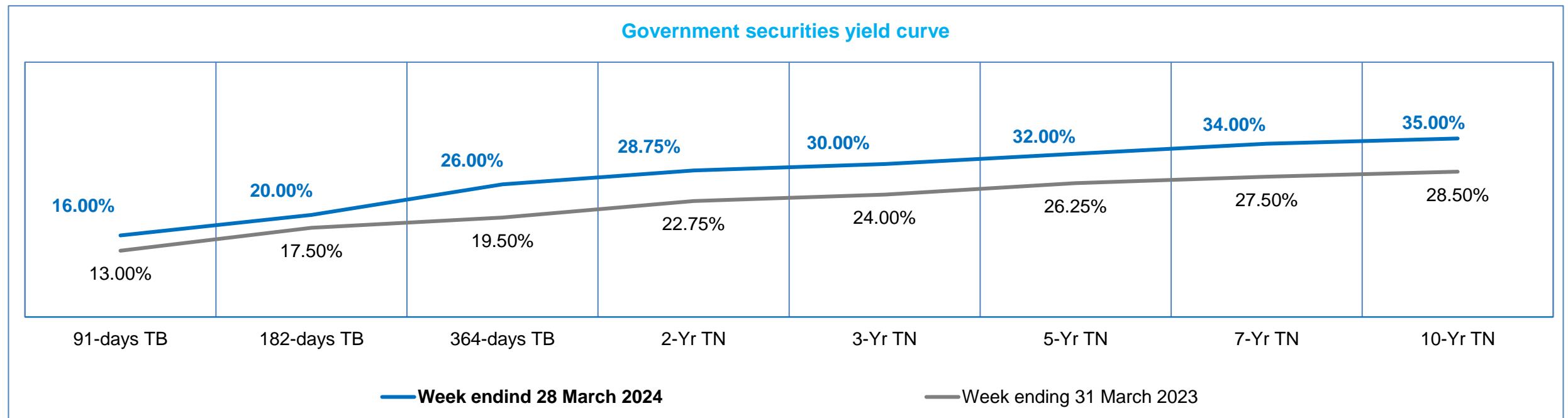
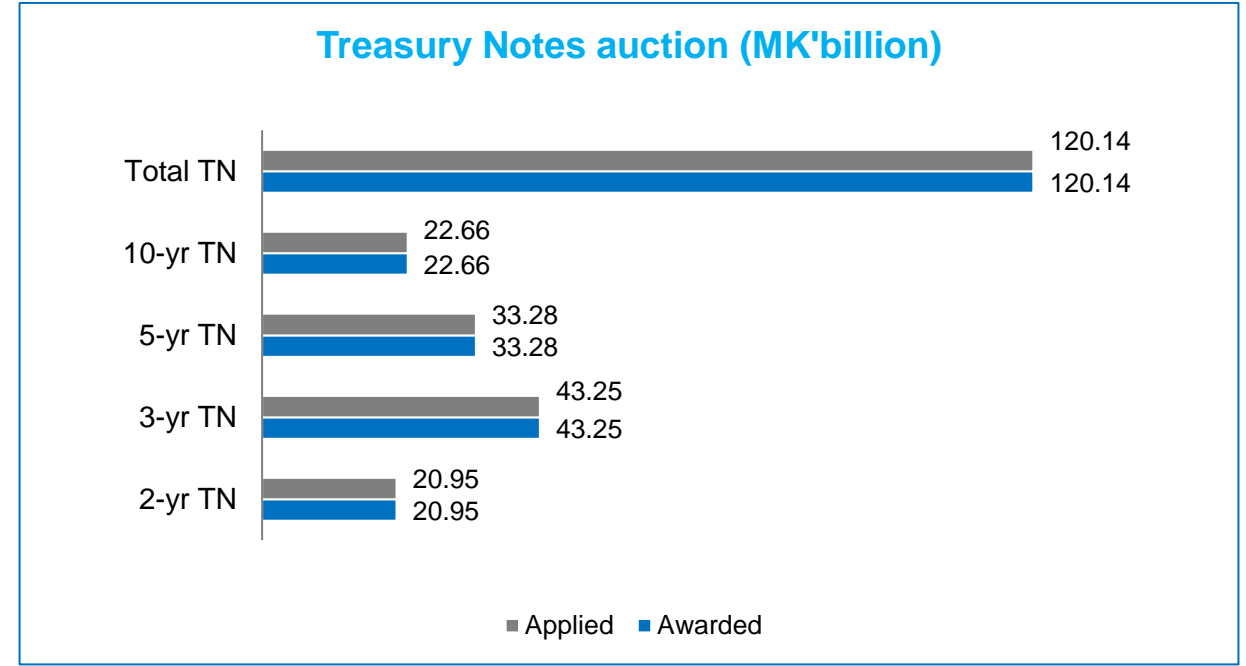
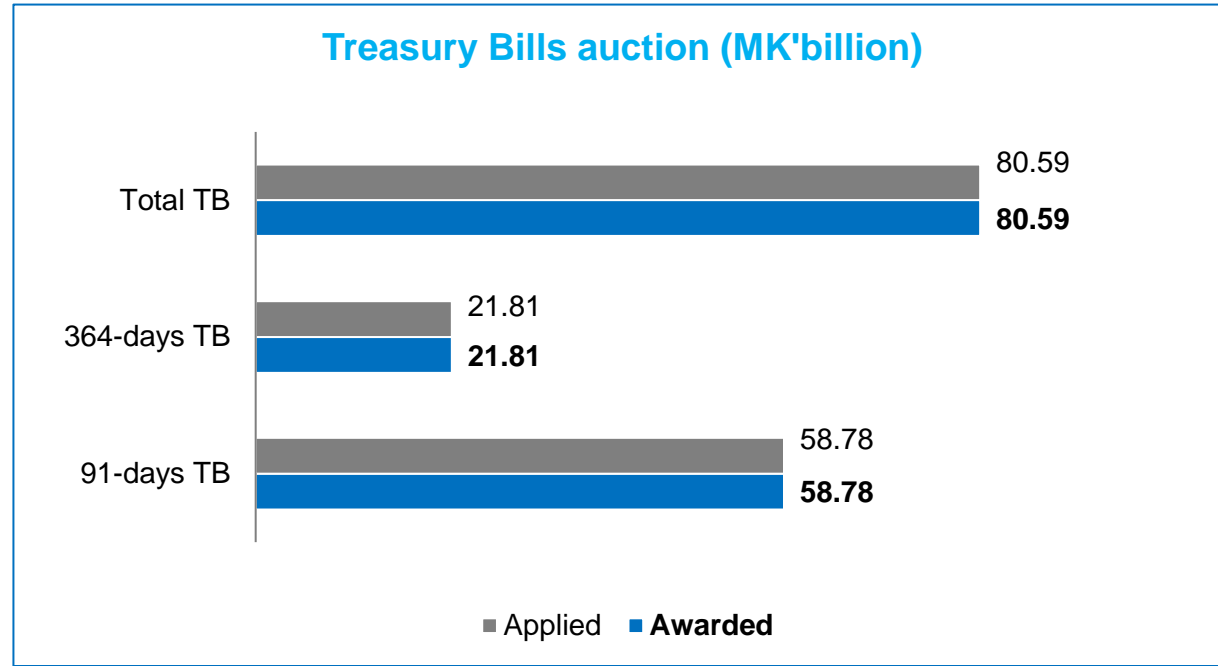
There was a 7.74% share price loss for FMBCH (MK380.00 from MK411.50). There were also marginal share price losses for MPICO, NBS, FDHB, NICO, NITL, and ILLOVO during the week under review.





Malawi Financial Market Update: Week ending 28 March 2024

Government securities (Source: RBM)



The Reserve Bank of Malawi held auctions for the 91-day and 364-day Treasury Bills and all tenors of Treasury Notes during the period under review.

MK80.59 billion was raised from the TB auctions held during the period under review.

MK120.14 billion was raised from the TN auctions held during the period under review.

The average TB and TN yields were maintained at 20.67% and 31.95% during the period under review.

The Reserve Bank of Malawi also held auctions for Open Market Operations Repos for the 7-day, 14-day and 21-day tenors on 28 March 2024. A total of MK54.60 billion was raised from the 21-day OMO Repo. No funds were raised from both the 7-day and 14-day OMO Repos.

TB: Treasury Bill
TN: Treasury Note
Yr: Year

OMO: Open Market Operation
Repos: Repurchase



Appendix 1: Historical Economic Indicators

| | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | Jan-24 | Feb-24 | 28-Mar-2024 |
|---|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------------|
| Exchange rates (middle rates) | | | | | | | | | | | | | | |
| MK/USD | 1,033.68 | 1,033.80 | 1,034.86 | 1,034.46 | 1,058.82 | 1,061.67 | 1,094.74 | 1,126.50 | 1,179.83 | 1,699.31 | 1,683.37 | 1,697.80 | 1,698.50 | 1,733.87* |
| MK/GBP | 1,280.21 | 1,315.33 | 1,325.22 | 1,317.23 | 1,377.77 | 1,400.92 | 1,429.20 | 1,412.17 | 1,473.63 | 2,219.25 | 2,212.41 | 2,221.35 | 2,217.83 | 2,255.03* |
| MK/EUR | 1,128.21 | 1,156.66 | 1,171.01 | 1,135.21 | 1,183.15 | 1,203.76 | 1,226.61 | 1,225.22 | 1,285.81 | 1,907.62 | 1,918.18 | 1,888.43 | 1,887.38 | 1,932.15* |
| MK/ZAR | 57.83 | 59.76 | 57.89 | 53.58 | 57.92 | 61.70 | 60.02 | 60.67 | 63.95 | 92.72 | 93.54 | 92.94 | 90.38 | 94.30* |
| Foreign Exchange Reserves | | | | | | | | | | | | | | |
| Gross Official Reserves (USD'mn) | 280.66 | 228.49 | 200.08 | 194.82 | 321.53 | 267.91 | 239.56 | 242.68 | 169.3 | 165.20 | 242.58 | 174.80 | 143.60 | N/A |
| Private Sector Reserves (USD'mn) | 378.54 | 375.36 | 403.93 | 386.90 | 407.47 | 406.63 | 419.35 | 409.46 | 396.9 | 413.20 | 433.01 | 401.90 | 396.72 | N/A |
| Total reserves (USD'mn) | 659.20 | 603.85 | 604.01 | 581.72 | 729.00 | 674.54 | 658.91 | 652.14 | 566.2 | 578.40 | 675.58 | 576.70 | 540.32 | N/A |
| Gross Official Reserves Import cover (months) | 1.12 | 0.91 | 0.80 | 0.78 | 1.29 | 1.07 | 0.96 | 0.97 | 2.3 | 0.7 | 1.0 | 0.70 | 0.57 | N/A |
| Inflation | | | | | | | | | | | | | | |
| Headline | 26.7% | 27.0% | 28.8% | 29.2% | 27.3% | 28.4% | 28.6% | 27.8% | 26.9% | 33.1% | 34.5% | 35.0% | 33.5% | N/A |
| Food | 31.7% | 32.4% | 37.9% | 38.8% | 37.2% | 39.3% | 39.4% | 36.8% | 34.5% | 41.7% | 43.5% | 44.9% | 42.0% | N/A |
| Non-food | 20.5% | 20.2% | 18.5% | 18.4% | 16.0% | 16.0% | 16.1% | 17.2% | 17.6% | 22.2% | 22.8% | 22.0% | 22.1% | N/A |
| Interest Rates | | | | | | | | | | | | | | |
| Monetary Policy rate | 18.00% | 18.00% | 22.00% | 22.00% | 22.00% | 24.00% | 24.00% | 24.00% | 24.00% | 24.00% | 24.00% | 24.00% | 26.00% | 26.00% |
| Average Interbank rate | 15.00% | 15.00% | 15.19% | 19.26% | 20.38% | 20.51% | 22.76% | 22.79% | 22.91% | 23.00% | 23.00% | 23.00% | 22.63% | 22.22% |
| Lombard rate | 18.20% | 18.20% | 22.20% | 22.20% | 22.20% | 24.20% | 24.20% | 24.20% | 24.20% | 24.20% | 24.20% | 24.20% | 26.20% | 26.20% |
| Commercial Bank reference rate | 17.30% | 17.30% | 17.30% | 20.00% | 21.00% | 22.70% | 22.70% | 23.40% | 23.50% | 23.50% | 23.60% | 23.60% | 24.90% | 24.90% |
| Government Securities Yields | | | | | | | | | | | | | | |
| 91-days Treasury Bill | 13.00% | 13.00% | 12.98% | 13.00% | 13.00% | 13.00% | 14.70% | 14.70% | 14.70% | 14.70% | 14.70% | 14.70% | 16.00% | 16.00% |
| 182-days Treasury Bill | 17.50% | 17.50% | 17.50% | 17.50% | 18.00% | 18.00% | 18.00% | 18.00% | 18.00% | 18.00% | 18.00% | 18.00% | 20.00% | 20.00% |
| 364-days Treasury Bill | 19.50% | 19.50% | 19.50% | 22.49% | 22.50% | 22.50% | 24.00% | 24.00% | 24.00% | 24.00% | 24.00% | 24.00% | 26.00% | 26.00% |
| 2-year Treasury Note | 22.75% | 22.75% | 22.75% | 24.75% | 24.75% | 24.75% | 26.75% | 26.75% | 26.75% | 26.75% | 26.75% | 26.75% | 28.75% | 28.75% |
| 3-year Treasury Note | 24.00% | 24.00% | 24.00% | 26.00% | 26.00% | 26.00% | 28.00% | 28.00% | 28.00% | 28.00% | 28.00% | 28.00% | 30.00% | 30.00% |
| 5-year Treasury Note | 26.19% | 26.25% | 26.25% | 28.00% | 28.00% | 28.00% | 30.00% | 30.00% | 30.00% | 30.00% | 30.00% | 30.00% | 32.00% | 32.00% |
| 7-year Treasury Note | 27.50% | 27.50% | 27.50% | 29.50% | 29.50% | 29.50% | 30.46% | 32.00% | 32.00% | 32.00% | 32.00% | 32.00% | 34.00% | 34.00% |
| 10-year Treasury Note | 28.50% | 28.50% | 28.50% | 31.19% | 31.25% | 31.25% | 32.83% | 33.00% | 33.00% | 33.00% | 33.00% | 33.00% | 35.00% | 35.00% |
| Stock Market Indices | | | | | | | | | | | | | | |
| MASI | 71,069.31 | 80,298.12 | 86,462.61 | 102,837.75 | 108,656.97 | 112,492.50 | 119,077.99 | 118,426.19 | 113,969.91 | 112,790.18 | 110,951.21 | 115,670.54 | 113,039.66 | 114,236.98 |
| DSI | 56,674.50 | 64,886.76 | 70,512.35 | 83,365.40 | 87,071.03 | 88,364.93 | 90,336.93 | 89,173.86 | 89,656.70 | 88,577.93 | 86,359.68 | 86,383.46 | 84,454.87 | 86,761.71 |
| FSI | 8,382.28 | 8,381.79 | 8,202.52 | 10,396.15 | 12,297.19 | 14,982.64 | 19,947.76 | 20,692.42 | 15,011.81 | 15,048.88 | 15,792.06 | 21,124.59 | 20,597.92 | 19,012.48 |

*: Reserve Bank of Malawi opening exchange rates as of 28 March 2024

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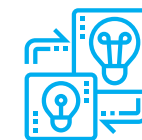
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